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United Kingdom

Asparagus

Annual

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Report Highlights:

UK asparagus production for the marketing year beginning Jan 2003 is forecast at 1,925 MT. Early indications point to a good quality UK crop, with growers benefitting from an early start to the harvesting season. With the total value of the UK retail market for asparagus increasing by 26 percent year on year, the UK continues to rely on a significant volume of imports to meet year round demand. Peru and Spain continue to be the preferred suppliers, with imports from the U.S. falling marginally in CY2002.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
London [UK1], UK

TABLE OF CONTENTS

PS&D Table [1](#)
Production [1](#)
Consumption [2](#)
Trade [3](#)
 Import Matrix [4](#)
 Export Matrix [5](#)
Policy [6](#)
Marketing [6](#)

PS&D Table

Country	United Kingdom					
Commodity	Fresh Asparagus				(HA)(MT)	
	2000	Revised	2001	Estimate	2002	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	843	843	856	856	0	870
Area Harvested	843	843	856	856	0	870
TOTAL Production	1555	1555	1980	1800	0	1925
Imports, Fresh	4913	6267	4400	5699	0	5625
TOTAL SUPPLY	6468	7822	6380	7499	0	7550
Exports, Fresh	36	47	40	54	0	50
Domestic Fresh Market	6432	7775	6340	7445	0	7500
For Processing	0	0	0	0	0	0
TOTAL UTILIZATION	6468	7822	6380	7499	0	7550

Please note: the indicator year above corresponds to crop production and marketings in the following year e.g. indicator year 2000 contains data for the crop harvested and marketed in the marketing year beginning January 2001.

Production

UK fresh asparagus production for MY2003 is forecast at 1,925 MT. This represents an increase of 7 percent in UK production on the previous season, which the UK's Department for Environment, Food and Rural Affairs (Defra) puts at 1,800 MT. A continued growth in planted area and marginal improvements in yield are expected to contribute to the increased production forecast for the current crop

The major asparagus growing areas are Norfolk, Suffolk, Cambridgeshire and Lincolnshire in the East, Essex and Kent in the South East and the Vale of Evesham in Central England. Planting of crowns takes in place in February, and harvest typically begins in mid-April, continuing to the middle or end of June. UK commercial production is monopolized by green varieties; purple and white varieties have been trialed in the past with little success. European varieties dominate in the UK, accounting for approximately 90 percent of sales of UK asparagus.

Early indications for the crop were positive. Although low night temperatures in the Spring led to initial slow growth, harvesting started a few days early and warmer weather through May favored crop growth. The early start to harvesting led to the expectation of a marketing season extending beyond the normal 6-8 weeks. Indeed, a longer season could become the norm in the UK as growers begin to adapt production technology and methods which mean that harvesting can begin up to three weeks earlier than a decade ago. Overall, crop quality is reported as good despite

dry soils creating weed control issues. Reports suggest the Lincolnshire asparagus crop, in particular, is characterized by good yields and is of a better quality than in the past two seasons.

In recent years, the UK asparagus crop has witnessed something of a revival. Production area has increased consistently over the last 4 years, with post forecasting a 3 percent increase in the area of production for the current crop. Large scale planting has been increasing, particularly in the Vale of Evesham. Therefore, further growth in production can be expected as new beds come online in 2 to 3 years time. Although no official estimates currently exist, market commentators suggest an increased acreage of up to 20 percent is plausible in the short to mid term. The recent actions of Bomfords, a commercial producer and importer of vegetables and salads, is an example of the increasing resources allocated to UK asparagus production. After deciding to grow asparagus alongside its range of vegetables two years ago, over US\$800,000 was invested in new beds. With Bomfords set to market production from other growers in the area, an additional 250 acres of asparagus is anticipated within 3 to 5 years in the Vale of Evesham alone.

On a global basis, UK asparagus production remains small scale. There are an estimated 200 asparagus growers in the UK, although the majority of commercial production is in the hands of around half this figure. Total UK production in 2002 equated to less than 1 percent of the Peruvian asparagus crop, and a little over 2 percent of the U.S. harvest.

Consumption

The retail value of the UK asparagus market is estimated at some US \$30 (BPS 18.5) million, with the UK season generating around one third of this value. The value of sales increased by 26 per cent in 2002. This was due in part to the increased domestic production, although imports were the major factor in this value growth. Import volumes were down in CY2002, but the higher unit price of imports (up 16 percent in CY2002) contributed to this improved performance at the retail level.

Growing asparagus consumption is, of course, the fundamental driver of this increased worth of the retail sector. Historically, asparagus has been regarded as a luxury vegetable, and despite rising consumption, market penetration remains low. Only 11 percent of consumers buy asparagus, meaning that there is still huge potential for suppliers and retailers to further develop the sector. Distribution is widespread, with approximately 80 percent of product sales through the supermarket sector. Continuity of supply is critical in ensuring regular purchase and global suppliers mean that UK retailers and caterers can source asparagus all year round. In the retail sector, asparagus can still be found in bundles, but is increasingly sold in pre-packs. Increasingly evident on retailers shelves are multi-packs, which wrap asparagus tips with similar high value produce, such as baby corn or mange tout. Such packaging enhances the visual appearance of the product and allows for the effective communication of preparation instructions and recipe ideas, which are often seen as barriers to purchase.

In keeping with its position as a luxury vegetable, asparagus is also a favorite with the foodservice sector, particularly the high-end restaurants. Foodservice outlets tend to use long shoots with a wide diameter, while packs of shorter and narrower shoots are favored by the retail trade. Therefore, although no data is available, the widely held belief among the trade is that the majority of U.S. asparagus is sold through foodservice outlets rather than through supermarket chains, where Peruvian and Spanish asparagus dominates.

Trade

Recent revisions to World Trade Atlas data indicate the boom in import volumes of asparagus. Despite a year on year reduction in imports, import volumes in CY2002 were still some 66 percent higher than as recently as CY1998. Import volumes for CY2003 are forecast to remain in excess of 5,000 MT. The U.S. has witnessed a marginal decline in volumes of asparagus shipped to the UK, despite the increasing demand for imports. Peru and Spain are the key suppliers to the UK market. With UK companies establishing strategic alliances with companies in both of these countries to guarantee year round availability, this dominance is expected to continue. The chart below illustrates the position of Peru and Spain as the UK's leading suppliers and illustrates their availability in the UK throughout the year.

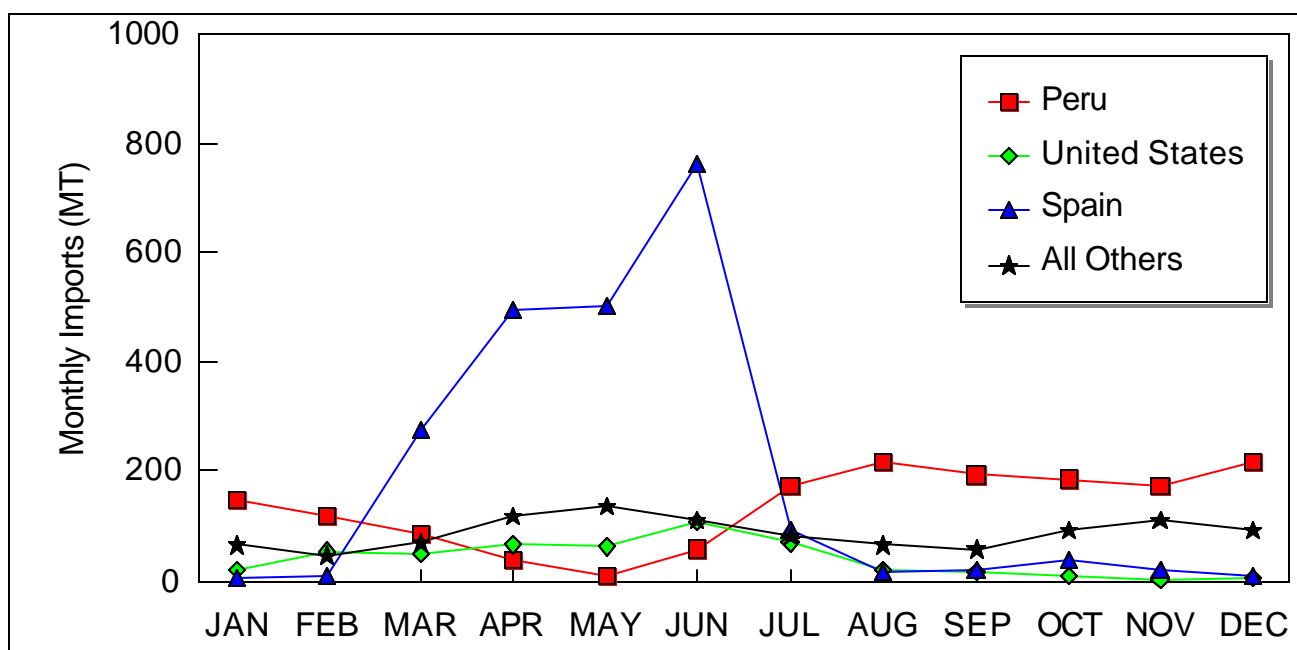


Chart 1:
Average
Monthly
Imports
of
Asparag
us By
Country
(average
CY2000
-
CY2002
)

Import Matrix

Country	United Kingdom		
Commodity	Fresh Asparagus		
Time period	Jan - Dec	Units:	MT
Imports for:	2001		2002
U.S.	466	U.S.	448
Others		Others	
Spain	3031	Spain	2233
Peru	1673	Peru	1995
Netherlands	239	Thailand	288
Thailand	219	France	207
Italy	157	Netherlands	123
South Africa	140	Italy	91
France	136	South Africa	90
Chile	80	Chile	60
Guatemala	48	Germany	48
Mexico	15	Hungary	43
Total for Others	5738		5178
Others not Listed	63		73
Grand Total	6267		5699

Export Matrix

Country	United Kingdom		
Commodity	Fresh Asparagus		
Time period	Jan - Dec	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Ireland	35	Ireland	43
Belgium	5	France	7
Italy	4	Netherlands	3
France	1	Iran	1
Iran	1		
Total for Others	46		54
Others not Listed	1		0
Grand Total	47		54

Policy

All product marketed in the UK is subject to compliance with EU quality standards, pesticide and plant health legislation. Full details of the marketing standards for asparagus are available from the UK's Department of Environment, Food and Rural Affairs website: <http://www.defra.gov.uk/hort/hmi/common/standard/msaspr.pdf>

At the time of writing, green asparagus imports from the U.S. are subject to the full duty rate of 10.2 percent, as classified under Commodity Code 0709 20 00 10.

Marketing

British asparagus is traded on its flavor, with this unique selling point a result of the British climate. Stems grow slowly in the UK, enabling the development of a much fuller flavor and fine, tender texture. With year round availability from global suppliers, asparagus is arguably less of a luxury product than in the past. However, marketing activities by the UK trade build on the short UK season and attempt to promote it as a special occasion. The UK Asparagus Growers' Association (AGA) has long been involved in marking the British asparagus season with a range of PR activity to help generate awareness of availability and product attributes among the fresh produce trade. A range of endorsements from top celebrity chefs was added to the asparagus PR activity for the current season and individual companies have bolstered marketing activity. For example, Bomfords contributed towards a two day Asparagus Festival in late May and the supply chain has cooperated to ensure new season British asparagus was highlighted in retail outlets.